

ASSEMBLY BILL

No. 1172

Introduced by Assembly Member Frusetta

February 25, 1999

An act to add and repeal Sections 17053.56 and 23656 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1172, as introduced, Frusetta. Income and bank and corporation taxes: preventive health care credit: agricultural workers.

The Personal Income Tax Law and the Bank and Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would, in accordance with certain definitions, authorize a credit against those taxes for each taxable and income year beginning on or after January 1, 1999, and before January 1, 2002, in an amount equal to 25% of the qualified expenses, as defined, paid or incurred by a taxpayer during the taxable or income year, not to exceed \$50,000, in the year for preventive health care provided to the taxpayer's employees who are farmworkers and who meet specified criteria.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. This act shall be known and may be cited as the California Farmworker Health Care Protection Act of 1999.

SEC. 2. Section 17053.56 is added to the Revenue and Taxation Code, to read:

17053.56. (a) For each taxable year beginning on or after January 1, 1999, and before January 1, 2002, there shall be allowed as a credit against the “net tax,” as defined in Section 17039, an amount equal to 25 percent of the qualified expenses paid or incurred by a taxpayer during the taxable year for preventive health care provided to the taxpayer’s employees who are qualified farmworkers.

(b) For purposes of this section:

(1) “Preventive health care” includes, but is not limited to, an annual physical examination and related services as deemed medically appropriate in an effort to maintain good health, well-being, and growth.

(2) “Qualified expenses” means amounts paid or incurred for services provided by, or medicines or medical items that are prescribed or dispensed by, either a licensed health care professional or a nonprofit, tax-exempt organization that qualifies for exemption under Section 501(c)(3) of the Internal Revenue Code or Section 23701 of this code.

(3) “Qualified farmworker” means an individual who is all of the following:

(A) An “agricultural employee,” as defined in subdivision (b) of Section 1140.4 of the Labor Code.

(B) Ineligible to receive health care services that are publicly funded, in whole or in part.

(C) A resident of this state as defined in Section 17014.

(D) An employee of the taxpayer all of whose services for the taxpayer are provided in this state.

(c) The maximum credit that may be claimed by any taxpayer under subdivision (a) shall not exceed fifty thousand dollars (\$50,000) in any taxable year.

1 (d) In the case where the credit allowed by this section
2 exceeds the “net tax,” the excess may be carried over to
3 reduce the “net tax” in the following year, and
4 succeeding years if necessary, until the credit is
5 exhausted.

6 (e) This section shall remain in effect only until
7 December 1, 2002, and as of that date is repealed.
8 However, any unused credit may continue to be carried
9 forward, as provided in subdivision (d), until the credit
10 is exhausted.

11 SEC. 3. Section 23656 is added to the Revenue and
12 Taxation Code, to read:

13 23656. (a) For each income year beginning on or
14 after January 1, 1999, and before January 1, 2002, there
15 shall be allowed as a credit against the “tax,” as defined
16 in Section 23036, an amount equal to 25 percent of the
17 qualified expenses paid or incurred by a taxpayer during
18 the income year for preventive health care provided to
19 the taxpayer’s employees who are qualified farmworkers.

20 (b) For purposes of this section:

21 (1) “Preventive health care” includes, but is not
22 limited to, an annual physical examination and related
23 services as deemed medically appropriate in an effort to
24 maintain good health, well-being, and growth.

25 (2) “Qualified expenses” means amounts paid or
26 incurred for services provided by, or medicines or
27 medical items that are prescribed or dispensed by, either
28 a licensed health care professional or a nonprofit,
29 tax-exempt organization that qualifies for exemption
30 under Section 501(c)(3) of the Internal Revenue Code or
31 Section 23701 of this code.

32 (3) “Qualified farmworker” means an individual who
33 is all of the following:

34 (A) An “agricultural employee,” as defined in
35 subdivision (b) of Section 1140.4 of the Labor Code.

36 (B) Ineligible to receive health care services that are
37 publicly funded, in whole or in part.

38 (C) A resident of this state as defined in Section 17014.

39 (D) An employee of the taxpayer all of whose services
40 for the taxpayer are provided in this state.

1 (c) The maximum credit that may be claimed by any
2 taxpayer under subdivision (a) shall not exceed fifty
3 thousand dollars (\$50,000) in any income year.

4 (d) In the case where the credit allowed by this section
5 exceeds the “tax,” the excess may be carried over to
6 reduce the “tax” in the following year, and succeeding
7 years if necessary, until the credit is exhausted.

8 (e) This section shall remain in effect only until
9 December 1, 2002, and as of that date is repealed.
10 However, any unused credit may continue to be carried
11 forward, as provided in subdivision (d), until the credit
12 is exhausted.

13 SEC. 4. This act provides for a tax levy within the
14 meaning of Article IV of the Constitution and shall go into
15 immediate effect.

